

**Office of the President**

**TO MEMBERS OF THE NATIONAL LABORATORIES SUBCOMMITTEE:**

**DISCUSSION ITEM**

*For Meeting of September 13, 2017*

**UPDATE ON LOS ALAMOS NATIONAL LABORATORY CONTRACT  
COMPETITION**

**EXECUTIVE SUMMARY**

The management and operating contract for Los Alamos National Laboratory currently extends through September 30, 2018. This discussion item will provide an update on the status of competition for the follow-on contract.

**BACKGROUND**

The University of California has a long history of involvement with Los Alamos National Laboratory (LANL) dating back to the inception of the Laboratory in the 1940s. UC independently managed LANL for more than 60 years. Since 2006, the University has participated in the management and operation of LANL as a member of Los Alamos National Security, LLC (LANS). As has been previously reported to the Regents, the LANS prime contract currently expires on September 30, 2018, without the possibility of further award terms.

In late June 2017, the National Nuclear Security Administration (NNSA) formally announced the commencement of the competition for the follow-on contract by releasing a Synopsis/Presolicitation Notice. This document announced that the follow-on contract would have a five-year base term with options for up to five additional years, and a four-month period of transition from LANS to the new contractor. The document further provided a preliminary schedule for release of the draft and final Requests for Proposal (RFP) documents.

On July 12, 2017, NNSA released the draft RFP documents for review and feedback from interested parties. The draft RFP documents included only a small subset of the sections anticipated to be contained in the final RFP. Nonetheless, the draft RFP proposes some key differences from the other recent NNSA solicitations, namely for Sandia National Laboratories and the Nevada National Security Site.

In particular, the draft RFP proposes to alter the evaluation criteria and methodology. Past performance is one of the three primary criteria evaluated by NNSA, and considers how each team member has performed work of similar size, scope, or complexity over the previous five

years. Past performance by a joint venture is imputed equally to each member of that joint venture, regardless of the respective roles or responsibilities of the individual members. In other words, LANS's past performance is imputed equally to UC and to all the other LANS members. Whereas recent solicitations identified past performance as the single most heavily weighted criterion, the draft LANL RFP proposes to place equal weight on past performance and on the proposed leadership team (i.e., the "key personnel").

Another notable change is that the draft LANL RFP proposes to include orals in the evaluation process – oral presentations and discussions with key personnel during which the government may present questions, scenarios, sample tasks, etc. to assess the teams experience and expertise. Other recent NNSA solicitations did not include orals, but instead involved bid evaluations based on paper submissions, reference checks, and surveys.

The draft RFP requested feedback from the stakeholders by July 26. The UC Office of the National Laboratories timely submitted a limited set of comments and questions on behalf of the University. Such submission does not constitute a commitment to bid on the final RFP. NNSA released its first set of responses to stakeholder questions on August 11. These responses did not address the University's comments or questions. NNSA indicated that the responses to the remaining comments and questions were currently in process.

On August 17, NNSA announced that it would host a site visit and one-on-one meetings at LANL prior to the release of the final RFP. The stated purpose of these events is to improve the potential offerors' understanding of NNSA's requirements and to increase efficiency in proposal preparation, proposal evaluation, negotiation, and contract award. The one-on-one meetings also afford potential offerors an opportunity to share additional feedback on the draft RFP with NNSA. These events were scheduled for August 29 through September 1 and were limited to four representatives per potential offeror. Representatives of the University attended both of these events.

Based upon the Synopsis/Presolicitation Notice and draft RFP, it is anticipated that NNSA will release the final LANL RFP in September 2017. A response to the final RFP may be required within sixty days.

In the event that the final RFP was released prior to the regular September 2017 Regents meeting, the President requested and received from the Regents, via interim action, a delegation of authority to undertake certain preliminary actions to enable the University to start the bid evaluation and preparation process. This delegation included the authority to enter into teaming agreements with potential members of the LANL bid team, and to set up a special purpose entity – such as an LLC like LANS – that would bid on and ultimately hold the LANL prime contract if the University team's bid were successful.

It is anticipated that Regents' approval for the formal bid submission will be requested at the November 2017 Regents meeting or earlier, depending on the timing of the release of the final RFP.

**Key to Acronyms**

LANL	Los Alamos National Laboratory
LANS	Los Alamos National Security, LLC
LLC	Limited Liability Company
NNSA	National Nuclear Security Administration
RFP	Request for Proposal